

Old Age, Disability, Death

First laws: 1906 (salaried employees) and 1924 (wage earners).

Current law: 1995.

Type of program: Social insurance system.

Exchange rate: U.S.\$1.00 equals 30.12 (CZK) koruna.

Coverage

Employees, members of industrial production cooperatives, advanced students, farmers, artists, and self-employed persons.

Source of Funds

Insured person: 6.5% of earnings.

Employer: 19.5% of payroll.

Government: Any deficit.

Above contributions also finance work-injury cash benefits.

Maximum earnings for benefit purposes: 6,100 CZK a month, plus 30% of earnings between 6,100 and 13,000 CZK and 10% of earnings over 13,000 CZK.

Qualifying Conditions

Old-age pension: From January 1, 2007, men, age 62; women, age 57 to 61, according to number of children raised. (During the period from January 1, 1996 to December 31, 2006, retirement age is being gradually increased by 2 months per year for men and by 4 months per year for women.) 25 years of insurance (15 years at age 65). Early retirement possible up to 3 years before normal retirement age. Substantial limitation of work necessary during the first 2 years following retirement age.

Disability pension: Total disability (66% loss of earning capacity), or partial disability (33% loss of earning capacity). 5 years of insurance in last 10 years (up to 4 years if under age 28).

Survivor pension: Deceased met pension requirements or was pensioner at time of death.

Old-Age Benefits

Old-age pension: Basic amount (flat rate): 1,310 CZK plus percentage amount (earnings-related). Percentage amount equals 1.5% of the calculation base for every year of insurance. The calculation base is reduced indexed earnings after 1985. Minimum pension: Basic amount plus 770 CZK.

Delayed retirement: Percentage amount increased 4% of the calculation base for every 360 days of work and deferment of pension beyond normal retirement age.

Early retirement: Reduction of the percentage amount by 4% of the calculation base for every 360 days prior to retirement age (in case pension received 2 years prior to retirement age, and under certain conditions). After reaching retirement age the reduction is revoked. Or, pension reduced by 2.4% of the calculation base for every 360 days (in the case of pension received 3 years prior to retirement age, without any limitation). After reaching the retirement age the reduction is permanent.

Permanent Disability Benefits

Disability pension: For total disability, basic amount of 1,310 CZK plus earnings-related portion. Percentage amount is calculated from the calculation base (1.5% of the calculation base for every year of

insurance), and the number of years of insurance. The calculation base is reduced indexed earnings after 1985.

Minimum pension: Same as for old-age pension.

Partial disability: Basic amount of 1,310 CZK plus earnings-related portion, 0.75% of the calculation base for every year of insurance.

The calculation base is reduced indexed earnings after 1985.

Minimum pension: Basic amount plus 385 CZK.

Survivor Benefits

Survivor pension: Basic amount of 1,310 CZK plus 50% of the earnings-related portion of deceased's pension. Payable to all widows or widowers for 1 year; thereafter, only to widows aged 55 or widowers aged 58, or any age if disabled, caring for dependent or disabled child or for disabled parent.

Orphans: Basic amount of 1,310 CZK plus 40% of the earnings-related portion of deceased's pension for each dependent child (for full orphans, the basic amount is payable only once).

Pension is increased due to disability: in the case of partial incapacity by 20%; in the case of predominant incapacity by 40%; or in the case of complete incapacity by 75% of the subsistence minimum.

Administrative Organization

Ministry of Labor and Social Affairs, general supervision.

Social Security Administration, administration of benefits through joint office.

Sickness and Maternity

First law: 1888.

Current laws: 1956 (cash sickness benefits), 1968 (maternity benefits), 1997 (medical care).

Type of program: Social insurance system and public health insurance system.

Coverage

Cash benefits: Employees, members of industrial production cooperatives, and advanced students. For self-employed persons sickness insurance is voluntary.

Medical benefits: All permanent residents in the Czech Republic or employees whose employer is resident in the Czech Republic.

Source of Funds

Insured person: Cash sickness and maternity benefits, 1.1% of earnings. Medical care, 4.5%.

Employer: Cash sickness and maternity benefits, 3.3% of payroll. Medical care, 9%.

Government: Any deficit. In the case of health care, full payments for special categories of covered people.

Qualifying Conditions

Cash sickness and medical benefits: Currently insured. No minimum period of coverage.

Eligibility continues for 6 weeks after coverage ceases.

Cash maternity benefits: 270 days of insurance in last 2 years.

Eligibility continues for 6 months after employment ceases.

Sickness and Maternity Benefits

Sickness benefit: For 1st 3 days, 50% of earnings; from 4th day, 69%.

Maximum earnings for benefit calculation, 270 CZK a day. Payable from 1st day of incapacity for up to 1 year, or 2 years if recovery likely.

Maternity benefit: 69% of earnings. Maximum, 186 crowns a day. Payable for 28 weeks (37 weeks for single mother and multiple births) including at least 6 weeks before confinement.

Workers' Medical Benefits

Medical benefits: Medical services provided directly to patients through facilities of public and private health service.

Medical treatment, hospitalization, medicines, maternity care, appliances, travel expenses, and sanatorium and spa treatment. Duration: No limit.

Dependents' Medical Benefits

Medical benefits for dependents: Same medical services as for family head. In addition, all resident children under age 18 receive medical care in own right, as do all women in case of maternity care.

Administrative Organization

Cash benefits: Ministry of Labor and Social Affairs, general supervision. Subsidiary offices on a regional and district level, administration of cash benefits. Employers of big firms pay employees' benefits.

Medical services: Ministry of Health, general supervision. Medical services provided in state and private outpatient and inpatient care facilities on the basis of contracts concluded with individual insurance companies.

Work Injury

First law: 1887.

Current laws: 1956 (short-term benefits), 1990 (self-employed), 1995 (pensions).

Type of program: Social insurance system.

Coverage

Employees and members of industrial production cooperatives, farmers and other self-employed persons.

Source of Funds

Insured person: See pension and sickness contributions, above.

Employer: Same.

Government: Same.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefits: Same as cash sickness benefits, above.

Permanent Disability Benefits

Permanent Disability Benefits: Same as for general disability, above.

Survivor Benefits

Survivor benefits: Same as general survivor benefits.

Funeral grant: Lump sum of 5,000 CZK.

(In addition the Labor Code requires that employees or their survivors receive a benefit for occupational accidents or occupational diseases.)

Administrative Organization

Temporary disability benefits: Ministry of Labor and Social Affairs, general supervision. Subsidiary offices on a regional and district level, administration of benefits. Employers of big firms pay employees' benefits.

Permanent disability and survivor pensions: Ministry of Labor and Social Affairs, general supervision. Social Security Administration, administration of benefits through joint office.

Medical benefits: Ministry of Health, general supervision.

Services provided through district and local health centers and factory clinics.

Unemployment

First law: 1991.

Current law: 1992 and 1997 (amendment).

Type of Program: Social insurance system.

Coverage

Czech Republic citizens, at least 15 years old and capable of working.

Source of Funds

Insured person: 0.4% of earnings.

Employer: 3.2% of payroll.

Government: Any deficit.

Qualifying Conditions

Unemployment benefit: Registered with the Labor Office as looking for work. Employment for at least 12 months in the past three years. ("Substitute periods" can be considered employment, such as basic military service, care for a child up to age 4, etc.)

Unemployment Benefits

Unemployment benefit: 50% of earnings during first 3 months; 40% for next 3 months; 60% in case of retraining. Maximum: 5,145 CZK per month; 6,174 CZK in case of retraining.

Administrative Organization

Ministry of Labor and Social Affairs, general supervision; Labor offices and district social security offices, administration of benefits.

Family Allowances

First law: 1945.

Current law: 1995.

Type of program: Universal system.

Coverage

Families with children.

Source of Funds

Insured person: None.

Employer: None.

Government: Whole cost.

Qualifying Conditions

Family allowances: Dependent child (up to age 26 if student).

Family Allowance Benefits

Family allowances (means-tested): If family income below 1.1% of living minimum, benefit equal to 32% of living minimum of children for each child; if family income from 1.1% to 1.8% of living minimum, 28% of living minimum of children for each child; if family income from 1.8 to 3.0 of living minimum, 14% of living minimum of children for each child; if family income over 3.0% of living minimum, no entitlement.

Birth grant: 4 times the living minimum of children.

Parents' allowance: If caring for child at home, 1.1% of living minimum of adult persons up to age 4 of child.

Administrative Organization

Ministry of Labor and Social Affairs, general supervision.

District social security offices, administration of benefits.